



COMMONWEALTH of VIRGINIA

MATTHEW O. TUCKER
DIRECTOR

DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION
1313 EAST MAIN STREET, SUITE 300
P.O. BOX 590
RICHMOND, VA 23218-0590

(804) 786-4440
FAX: (804) 786-7286
VIRGINIA RELAY CENTER
1-800-828-1120 (TDD)

July 21, 2006

Memorandum

To: Virginia Public Transportation Operators

From: Matthew O. Tucker

A handwritten signature in blue ink that reads "Matt O. Tucker" with a long horizontal flourish extending to the right.

Subject: Support for Lifeline Transit Services

As you are aware, the total allocation of state aid for public transportation for fiscal year 2007 is \$2.2 million less than the allocation that was provided in 2006. The result of this lower allocation has been a decrease in state support for operating expenses for most of Virginia's transit systems and the lowest capital reimbursement rate (22%) in the history of the state aid program.

These reductions come at a time when fuel prices are at an all time high forcing overall transit operating expenses up by 11% between 2005 and 2006. The Commonwealth Transportation Board is concerned that some local governments and transit providers may be unable to preserve essential public transportation services, particularly those services that are essential to healthcare and access to employment.

The Commonwealth Transportation Board provided a special, one-time allocation of \$2,000,000 in state funds to help protect the continuation of public transportation services that have been jeopardized by state funding reductions. This allocation of funds is in addition to the grants approved by the Commonwealth Transportation Board in June and does not affect these grants. With this memorandum, the Department of Rail and Public Transportation is soliciting requests for this special financial assistance.

These funds are intended to support the reinstitution or preservation of essential public transportation services that have been eliminated or are targeted for elimination in fiscal year 2007 as a result of funding constraints. Essential public transportation services are those services designed to connect people to jobs and healthcare and to provide basic mobility for the elderly, disabled, or economically disadvantaged. These funds may support operating or capital expenses directly related to the continuation of public transportation services.

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www.drpt.virginia.gov

You may request special financial assistance by submitting a letter to DRPT explaining your situation and your need for assistance. At a minimum, your letter should contain the following information:

1. A description of the service or capital project that is subject to cancellation including an explanation of why the service or project should be considered essential to your region, especially if the service provides access to jobs or healthcare. Please provide the anticipated ridership and socio-economic characteristics of the patrons, a brief history of the service and its performance and what special funding will achieve. Please explain how this temporary funding will enable the service to likely be continued beyond June 30, 2007 without additional special state funding and only a moderate increase in overall state formula assistance (4% increase over FY07);
2. For services please indicate both the day when the service was discontinued or will be discontinued and the day when it could be reinstituted. Please indicate the total operating cost and anticipated operating revenues that the service will incur from the anticipated day of discontinuation or reinstitution through June 30, 2007;
3. Documentation that the service or project is in jeopardy due to funding constraints. This may include discontinuation notices, governing board resolutions or correspondence from local funding partners. Resolutions or correspondence must be dated prior to the date of this memorandum;
4. Any additional information that you believe would be helpful in evaluating your request.

Please submit your letters to Charles M. Badger, Director of Public Transportation, Virginia Department of Rail and Public Transportation, 1313 East Main Street – Suite 300, Richmond, Virginia 23219. Letters must be received by September, 7, 2006 to be considered by the Commonwealth Transportation Board at its October meeting. If funds remain available after the initial award of grants, a second solicitation may occur.

If you have any questions you should contact Chip Badger at (804) 786-8135 or charles.badger@drpt.virginia.gov.

CC: Commonwealth Transportation Board